WESTERN ACADEMY, INC. D/B/A WESTERN ACADEMY CHARTER SCHOOL AND SUBSIDIARY

LOXAHATCHEE, FLORIDA

(A Component Unit of the School District of Palm Beach County, Florida)

BASIC CONSOLIDATED FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT, AND SUPPLEMENTAL INFORMATION

JUNE 30, 2026

WESTERN ACADEMY, INC. AND SUBSIDIARY
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2026

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WESTERN ACADEMY, INC. AND SUBSIDIARY
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2026

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WESTERN ACADEMY, INC. AND SUBSIDIARY
12031 Southern Blvd
Loxahatchee, FL 33470
(561) 792-4123

2025-2026

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Mr. Mark Howard, Member
Ms. Cristy Altaro, Parent Liaison & Secretary

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Ms. Dawn Auerbach, CFO/COO

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Western Academy Charter School, Inc. and Subsidiary
Loxahatchee, Florida

Opinions

We have audited the accompanying consolidated financial statements of the governmental activities and each major fund of Western Academy Charter School, Inc. and Subsidiary (the "School"), a charter school and component unit of the School District of Palm Beach County, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the respective consolidated financial position of the governmental activities and each major fund of Western Academy Charter School, Inc. and Subsidiary, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standard applicable to financial audits contained in the Government Auditing Standards (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2026, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of the School District of Palm Beach County. These financial statements do not purport to and do not present fairly the financial position of the School District of Palm Beach County as of June 30, 2026 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2026 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Academy's internal control over financial reporting and compliance.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

Management's Discussion and Analysis
Western Academy Charter School, Inc. and Subsidiary
June 30, 2026

The corporate officers of Western Academy Charter School, Inc. and Subsidiary ("WACS", the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2026.

FINANCIAL SUMMARY

1. At year-end, the School had current assets of $6,750,200 vs. current liabilities of $818,351 for a current ratio of approximately 8.25x.
2. WACS fund balance increased by $1,387,341 for the year ending June 30, 2026, and its fund balance was $6,272,864.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2026 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplemental information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 12-15 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16-30 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a School's financial position. A summary of the School's net position as of June 30, 2026 and 2025 follows:

Assets and Deferred Outflows of Resources	2026	2025
Cash	$ 6,360,539	$ 5,184,768
Accounts receivable	302,685	190,312
Deposits receivable and other assets	106,930	74,676
Capital assets, net	14,362,287	14,419,075
Deferred outflows of resources	678,174	927,210
Total Assets and deferred outflows of resources	$ 21,810,615	$20,796,041
Liabilities, Deferred Inflows of Resources and Net Position		
Accounts and wages payable and accrued liabilities	$ 497,290	$ 564,233
Long-term debt	15,105,320	15,459,650
Net pension liability	2,791,362	3,354,656
Deferred inflows of resources	611,305	372,972
Total Liabilities and deferred inflows of resources	$ 19,005,277	$19,751,511
Net investment in capital assets	(743,033)	(1,040,575)
Deficit in accounting for net pension liability/Deferred outflows and	(2,724,493)	(2,800,418)
Unrestricted	5,267,293	3,993,004
Restricted	1,005,571	892,519
Total Net Position	$ 2,805,338	$ 1,044,530
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 21,810,615	$20,796,041

At June 30, 2026, the School's total assets and deferred outflows of resources were $21,810,615 and total liabilities and deferred inflows of resources were $19,005,277. At June 30, 2026, the School reported total net position of $2,805,338.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2026 and 2025 follows:

REVENUES	2026	2025
Program Revenues		
Federal passed through local schools	$ 90,429	$ 113,012
Capital outlay funding	1,806,121	835,269
Charges for services	525,626	432,862
General Revenues		
State through local school district	8,577,772	7,472,270
Fundraising and other revenue	205,926	162,768
Total Revenues	$ 11,205,874	$ 9,016,181
EXPENSES		
Instruction	$ 5,246,667	$ 4,569,589
Pupil personnel services	80,646	106,645
Instructional staff training services	47,335	32,647
Board	44,163	30,850
General administrative	42,209	41,309
School administration	1,125,062	938,468
Facilities acquisition and construction	620,424	556,130
Fiscal services	33,186	28,905
Operation of plant	860,278	702,163
Maintenance of plant	169,401	170,054
Administrative technology services	303,702	166,332
Community services	353,644	282,388
Interest expense	518,349	523,964
Total Expenses	$ 9,445,066	$ 8,149,444
Change in Net Position	1,760,808	866,737
Net Position (Deficit) at Beginning of Year	1,044,530	177,793
Net Position at End of Year	$ 2,805,338	$ 1,044,530

The 2025-2026 school year was WACS 23rd year of operations. The School's total revenues for the year ended June 30, 2026 were $11,205,874 while its total expenses were $9,445,066 for a net increase in its net position of $1,760,808.

Total expenses include the following non-cash adjustments: depreciation expense of $506,069 and pension liability adjustment of $75,925, which is included in facilities, acquisition, construction and instruction. The School's total revenues increased by $2,189,693 due primarily to income received from the District for Local Sales Tax.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, WACS's governmental funds reported a combined ending fund balance of $6,272,864 with a positive net change in fund balance of $1,387,341, for the year ended June 30, 2026.

A summary and analysis of the General Fund's revenues, expenditures and changes in fund balance for the years ended June 30, 2026 and 2025 follows:

	General Fund	
	2026	2025
Total Revenues	$ 9,309,324	$ 8,067,900
Total Expenditures	8,035,035	7,284,543
Excess (deficit) of revenues over expenditures	1,274,289	783,357
Other Financing Sources (Uses)		
Transfers in/(out)	-	(782,815)
Proceeds from long-term financing	-	-
Total Other Financing Sources (Uses)	-	(782,815)
Net change in fund balance	1,274,289	542
Fund balance at beginning of year	4,118,809	4,118,267
Fund balance at end of year	$ 5,393,098	$ 4,118,809

The School's total revenues under the General Fund increased by $1,241,424, mainly due to a increase in FEFP and Referendum funding by $1,006,126. Total expenditures in the general fund increased by $750,492 from prior year. The School increased its fund balance in the general fund by $1,274,289 for the year ended June 30, 2026.

CAPITAL IMPROVEMENT REQUIREMENT

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

CAPITAL ASSETS AND LONG-TERM DEBT

The School's investment in capital assets, as of June 30, 2026, amounts to $14,362,287 (net of accumulated depreciation). This investment in capital assets includes land, building, leasehold improvements, furniture, fixtures and equipment. On December 31, 2021, Western Academy Charter School, Inc. through its subsidiary Western Academy Holdings, LLC purchased a property located at 12031 Southern Boulevard in Loxahatchee, Florida through a bond payable totaling $14,245,004. The balance at June 30, 2026 was $13,936,510.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

Enrollment for the year ended June 30, 2026, was approximately 778 students, and enrollment for the upcoming school year is expected to increase to approximately 770 students, consistent with prior year levels.

Management considered currently known facts, decisions, and conditions that are expected to have a significant effect on the School's financial position or to produce significant differences from current year results of operations. Based on that evaluation, management is not aware of any such matters that require disclosure.

SCHOOL LOCATION

The School operates in the City of Loxahatchee Groves and is located at 12031 Southern Boulevard, Loxahatchee Groves, Florida 33470.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Western Academy Charter School, Inc., located at 12031 Southern Boulevard, Loxahatchee, FL 33470.

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash and cash equivalents	$ 6,360,539
Accounts receivable	302,685
Prepaid expenses	86,976
TOTAL CURRENT ASSETS	6,750,200
CAPITAL ASSETS, net	14,362,287
Deposit receivable and other assets	19,954
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources FRS/HIS	678,174
Total deferred outflows of resources	678,174
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 21,810,615
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	$ 240,497
Accrued wages payable	256,793
Bond payable - current portion	321,061
TOTAL CURRENT LIABILITIES	818,351
Bond payable - long-term portion	13,615,449
Premium on bond payable	1,168,810
Net pension liability	2,791,362
TOTAL LIABILITIES	18,393,972
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources FRS/HIS	611,305
Total deferred inflows of resources	611,305
NET POSITION	
Net investment in capital assets	(743,033)
Deficit in accounting for net pension liability/deferred Outflows and inflows of resources	(2,724,493)
Unrestricted	5,267,293
Restricted	1,005,571
TOTAL NET POSITION	2,805,338
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 21,810,615

The accompanying notes are an integral part of this financial statement.

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense)/ Revenue and Changes in Net Position
Governmental Activities:					
Instruction	$ 5,246,667	$ -	$ 90,429	$ -	$ (5,156,238)
Instructional support	80,646	-	-	-	(80,646)
Instructional staff training services	47,335	-	-	-	(47,335)
Board	44,163	-	-	-	(44,163)
General administrative	42,209	-	-	-	(42,209)
School administration	1,125,062	-	-	-	(1,125,062)
Facilities acquisition and construction	620,424	-	-	-	(620,424)
Fiscal services	33,186	-	-	-	(33,186)
Operation of plant	860,278	-	-	1,806,121	945,843
Maintenance of plant	169,401	-	-	-	(169,401)
Administrative technology services	303,702	-	-	-	(303,702)
Community services	353,644	525,626	-	-	171,982
Interest expense	518,349	-	-	-	(518,349)
Total Governmental Activities	$ 9,445,066	$ 525,626	$ 90,429	$ 1,806,121	$ (7,022,890)
GENERAL REVENUES:					
State and local sources					8,577,772
Grants and contributions not restricted to specific programs					28,338
Investment earnings					87,066
Fundraising and other revenue					90,522
Total general revenues					8,783,698
Change in Net Position					1,760,808
NET POSITION - BEGINNING					1,044,530
NET POSITION - ENDING					$ 2,805,338

The accompanying notes are an integral part of this financial statement.

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Non-Major Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 5,480,773	$ 879,766	$ 6,360,539
Accounts receivable	302,685	-	302,685
Prepaid expenses	86,976	-	86,976
Due from funds	-		-
Deposit receivable and other assets	19,954	-	19,954
TOTAL ASSETS	$ 5,890,388	$ 879,766	$ 6,770,154
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	$ 240,497	$ -	$ 240,497
Accrued wages payable	256,793	-	256,793
Due to funds	-	-	-
TOTAL LIABILITIES	497,290	-	497,290
FUND BALANCE			
Nonspendable			
Deposit receivable and other assets	106,930	-	106,930
Unassigned	5,160,363	-	5,160,363
Restricted	125,805	879,766	1,005,571
TOTAL FUND BALANCE	5,393,098	879,766	6,272,864
TOTAL LIABILITIES AND FUND BALANCE	$ 5,890,388	$ 879,766	$ 6,770,154

The accompanying notes are an integral part of this financial statement.

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balance - Governmental Funds		$	6,272,864
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund.			
	Capital assets		15,918,522
	Accumulated depreciation		(1,556,235)
Accounting for the School's participation in the FRS - the following amounts are reported in the Government-Wide Statements.			
	Deferred Outflows		678,174
	Deferred Inflows		(611,305)
	Net Pension Liability		(2,791,362)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.			
	Bond payable		(13,936,510)
	Premium on bond payable		(1,168,810)
Total Net Position - Governmental Activities		$	2,805,338

The accompanying notes are an integral part of this financial statement.

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
REVENUES				
State passed through local	$ 8,577,772	$ -	$ -	$ 8,577,772
State capital outlay funding	-	1,806,121	-	1,806,121
Federal passed through local school district	-	-	90,429	90,429
Charges for services and other grants	525,626	-	-	525,626
Other income	205,926	-	-	205,926
TOTAL REVENUES	$ 9,309,324	$ 1,806,121	$ 90,429	$ 11,205,874
EXPENDITURES				
Current:				
Instruction	$ 5,232,163	$ -	$ 90,429	$ 5,322,592
Instructional support services	80,646	-	-	80,646
Instructional staff training services	47,335	-	-	47,335
Board	44,163	-	-	44,163
General administrative	42,209	-	-	42,209
School administration	1,125,062	-	-	1,125,062
Facilities acquisition & construction	34,792	-	-	34,792
Fiscal services	33,186	-	-	33,186
Operation of plant	675,866	184,412	-	860,278
Maintenance of plant	28,221	141,180	-	169,401
Administrative technology services	303,702	-	-	303,702
Community services	353,644	-	-	353,644
Capital Outlay:				
Other capital outlay	34,046	494,798	-	528,844
Debt Service:				
Redemption of principal	-	-	308,494	308,494
Interest and debt costs	-	-	564,185	564,185
TOTAL EXPENDITURES	8,035,035	820,390	963,108	9,818,533
Excess (Deficit) of revenues over expenditures	1,274,289	985,731	(872,679)	1,387,341
OTHER FINANCING SOURCES				
Transfers from (to) funds	-	(985,731)	985,731	-
Total other financing sources	-	(985,731)	985,731	-
Excess of revenues over expenditures	1,274,289	-	113,052	1,387,341
Fund balance at beginning of year	4,118,809	-	766,714	4,885,523
Fund balance at end of year	$ 5,393,098	$ -	$ 879,766	$ 6,272,864

The accompanying notes are an integral part of this financial statement.

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Change in Fund Balance - Governmental Funds		$ 1,387,341
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense, and losses on the disposal of capital assets are recognized when incurred.		
	Capital outlays	528,844
	Depreciation expense	(506,069)
	Loss on disposal of fixed assets	(79,563)
The proceeds from loans provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds.		
	Repayment of principal	308,494
	Amortization of premium	45,836
Accounting for WACS's participation in the Florida Retirement System: Pension liability adjustment expense		75,925
Change in Net Position of Governmental Activities		$ 1,760,808

The accompanying notes are an integral part of this financial statement.

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Western Academy Charter School ("WACS") operates as a charter school pursuant to a charter school contract with the School Board of Palm Beach County, Florida and is sponsored by its charter-holder, Western Academy Charter School, Inc., a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of WACS is the Board of Directors which is comprised of four members.

Western Academy Charter School, Inc. is the sole member of Western Academy Holdings, LLC, which is a Florida limited liability company, established in October 2021, to enter into a loan agreement in order to finance and refinance the acquisition and renovation of new facilities located at 12031 Southern Boulevard in Loxahatchee, Florida. Collectively, Western Academy Charter School, Inc. and Western Academy Holdings, LLC are referred together as the "School."

The general operating authority of Western Academy Charter School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Palm Beach County, Florida (the "School Board"). The current charter is effective until June 30, 2038. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed by mutual agreement.

These financial statements are for the year ended June 30, 2026, where an average of 778 students were enrolled in grades Pre-Kindergarten through 8th grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board ("GASB").

Principles of Consolidation

The consolidated financial statements include the accounts of Western Academy Charter School, Inc. and Western Academy Holdings, LLC. All significant inter-company accounts and transactions have been eliminated in the consolidation of the accounts of the School and its subsidiary.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which report annual operating activities, and (3) capital grants and contributions which report funds for acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major and non-major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

General Fund – is the School's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Capital Projects Fund – used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Debt Service Fund – used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines.*

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 *"Accounting and Financial Reporting for Non-Exchange Transactions"*. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay). Any revisions to the annual budget are approved by the board.

Cash and Cash Equivalents

Cash and cash equivalents include money market accounts and certificates of deposit with original maturities of three months or less.

Accounts receivable

Accounts receivable consists of after school care fees pending to be collected. Any bad debts are expensed in the subsequent period when they are determined to be uncollectible.

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are $5,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5-10 Years
Building improvements	20 Years
Building	39 Years

Compensated Absences

The School provides full-time employees with paid time off (PTO) each academic year. Teachers earn PTO days that may be taken for illness or personal reasons. Beginning in fiscal year 2024–2025, the Board of Directors approved a policy under which certified teachers with contracts are eligible to receive a payout for any unused PTO days remaining after June 2. Such days are paid in the June payroll at a fixed per-day amount established by the Board. Unused PTO days do not roll over to the next academic year and are not payable upon termination.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

In accordance with GASB Statement No. 101, *Compensated Absences*, the School recognizes a liability for leave when:

1. The leave is attributable to services already rendered by employees;
2. The leave accumulates and can be carried forward to future reporting periods; and
3. It is more likely than not that the leave will be used for time off, paid in cash, or settled through other non-cash means.

The liability for compensated absences is measured using employees' pay rates in effect at the financial statement date. In the government-wide financial statements, compensated absences are reported as liabilities and expensed as incurred. In the governmental fund financial statements, the liability is recognized only for amounts that have matured as of year-end. The School also provides certain leave for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon events outside the control of both the employer and the employee, no accrual is recorded for such leave.

Government-wide Fund Net Position

Government-wide fund net position is divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources.
- Unrestricted – all other net position is reported in this category, including amounts due from affiliates and charter schools.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors.
- Assigned – fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2026, there are no minimum fund balance requirements for any of the School's funds.

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Palm Beach County (the "School Board") pursuant to the funding provisions included in WACS's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School may also receive federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Income Taxes

The School qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

Implementation of GASB Statement No. 103

During the current fiscal year, the School implemented Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance the effectiveness of financial reporting in providing information that is essential for decision-making and assessing accountability.

The implementation of GASB Statement No. 103, Financial Reporting Model Improvements resulted in changes to the presentation and related disclosures of the School's financial statements, as applicable, including requirements related to management's discussion and analysis, budgetary comparison information, and the presentation and classification of certain financial statement items.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2026, which is the date the financial statements were available to be issued.

NOTE 3 – CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2026:

Capital Assets	Balance July 1, 2025	Additions	Disposals	Balance June 30, 2026
Land	$ 4,427,500	$ -	$ -	$ 4,427,500
Building and improvements	10,917,678	494,798	-	11,412,476
Furniture, fixtures and equipment	449,873	34,046	(405,373)	78,546
Total Capital Assets	15,795,051	528,844	(405,373)	15,918,522
Less Accumulated Depreciation				
Leasehold improvements	-	-	-	-
Buildings and improvements	(1,045,135)	(490,738)	-	(1,535,873)
Furniture, fixtures and equipment	(330,841)	(15,331)	325,810	(20,362)
Total Accumulated Depreciation	(1,375,976)	(506,069)	325,810	(1,556,235)
Capital Assets, net	$ 14,419,075	$ 22,775	$ (79,563)	$ 14,362,287

Depreciation expense of assets for the year ended June 30, 2026, was $506,069, which was allocated to facilities, acquisition, and construction in the statement of activities.

In December 2021, Western Academy Holdings, LLC, a subsidiary of Western Academy Charter School, Inc. purchased property located at 12031 Southern Boulevard located in Loxahatchee, Florida. The property was purchased for $12,370,279 and was included in land and building at June 30, 2026. The property was renovated and those costs are included in improvements. The building was put into service for the 2023-2024 school year.

NOTE 4 – EMPLOYEE RETIREMENT PLAN

Reporting Entity

The Florida Department of Management Services, Division of Retirement (division), is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems (system). For the fiscal year ended June 30, 2025, the division administered two cost-sharing, multiple employer defined benefit plans, one single employer defined benefit plan, two defined contribution plans, a supplemental funding of defined benefit plans for municipal police officers and firefighters, and various general revenue funded pension programs. The division issued a publicly available, audited annual comprehensive financial report (ACFR) on behalf of the system that includes financial statements, notes and required supplementary information for each of the pension plans. Detailed information about the plans is provided in the ACFR, which is available online, or by contacting the division. (See Note 5).

Cost-Sharing Defined Benefit Plans

As required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), this report includes the allocation of the collective net pension liability and associated pension expense, deferred outflows of resources and deferred inflows of resources for each of the participating employers in the system's cost-sharing, multiple employer defined benefit plans:

- The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

- The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of the state-administered retirement systems in paying their health insurance costs. Per Chapter 2023-193, Laws of Florida, the level of monthly benefits increased from $5 times years of service to $7.50. with an increased minimum of $45 and maximum of $225. This change applies to all years of service for both member currently in pay and members not yet in pay. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Approximately 1,000 participating employers are served by the two defined benefit plans. Of these, more than 900 employers, referred to as reporting employers, report payroll and remit contributions to the division for their covered employees and, in some cases, for the covered employees of associated participating employers.

NOTE 4 – EMPLOYEE RETIREMENT PLAN (Continued)

Basis of Accounting

Employers participating in the FRS Pension Plan and HIS Program are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB 68. The Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (pension allocation schedules) and notes to the schedules, along with the system's ACFR, provide employers with the required information for reporting.

The underlying financial information used to prepare the pension allocation schedules is based on the system's records. The financial statements for the cost-sharing defined benefit plans are prepared using the flow of economic resources measurement focus and the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States. The system's financial statements are available online or by contacting the division (see Note 5). There have been no significant changes since the publication of the financial statements.

Employer Contributions

Contributions are recognized as revenues in the period for which the contributions are due pursuant to statutory and contractual requirements. Employee contributions required pursuant to section 121.71(3), Florida Statutes, are accounted for by the FRS as employer-paid employee contributions and are treated as employer contributions under 26 U.S.C. s. 414(h)(2) allowing these contributions to be deducted on a pre-tax basis. Pension expense reported in the pension allocation schedules is reduced by these amounts.

Total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes. Employer contributions reflected in the financial statements and in the pension allocation schedules for the cost-sharing defined benefit plans represent contributions specific to each defined benefit plan and do not equal total blended contributions remitted by the employer.

Use of Estimates

The preparation of these schedules, and the associated financial statements, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and changes therein, including appropriate disclosures at the date of the financial statements. Actual results could differ from those estimates.

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2025, are shown below:

	FRS	HIS
Total Pension Liability	$ 12,873,533	$ 1,229,561
Plan Fiduciary Net Position	(11,233,557)	(78,175)
Net Pension Liability	$ 1,639,976	$ 1,151,386
Plan Fiduciary Net Position as a Percentage as a Percentage of the Total Pension Liability	87.26%	6.36%

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NOTE 4 – EMPLOYEE RETIREMENT PLAN (Continued)
The total pension liability for the FRS and HIS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2025. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation
The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's current and several prior measurement dates. Prior measurement dates shown in exhibits align with the oldest deferred (inflow)/outflow base through June 30, 2025, for employers that were members of the FRS and HIS during those fiscal years. For fiscal years ended June 30, 2018, through June 30, 2025, in addition to contributions from employers, the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's ACFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions
The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2024 for the period July 1, 2018, through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

NOTE 4 – EMPLOYEE RETIREMENT PLAN (Continued)

Actuarial Methods and Assumptions (Continued)

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans are assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table, (refer to the valuation reports for more information – see Note 5).

The following changes in actuarial assumptions occurred in 2025:

- HIS: All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.
- HIS: The assumption changes were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its October 2025 meeting.
- HIS: The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2025.

FRS Net Pension Liability

1% Decrease	Current Discount Rate	1% Increase
5.70%	6.70%	7.70%
$ 3,596,810	$ 1,639,976	$ 858,042

HIS Net Pension Liability

1% Decrease	Current Discount Rate	1% Increase
4.20%	5.20%	6.20%
$ 1,627,544	$ 1,151,386	$ 1,260,057

Pension Expense and Deferred Outflows/Inflows of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

NOTE 4 – EMPLOYEE RETIREMENT PLAN (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2025, was 4.7 years for FRS and 5.8 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2025, are presented below for each plan.

Florida Retirement System (FRS)

Description	Recognized in Expense Fiscal Year Ending 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	$ 177,816	$ -	$ -
Interest Cost	828,592	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or loss (difference between expected and actual experience)	74,960	175,167	-
Effect of assumptions changes or inputs	89,732	190,444	-
Member contributions	(43,272)	-	-
Projected investment earnings	(691,489)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	144,010	(273,811)
Net difference between projected and actual investment earnings	(267,599)	-	(44,242)
Administrative expenses	1,570	-	-
Total	$ 170,310	$ 509,621	$ (318,053)

Health Insurance Subsidy (HIS)

Description	Recognized in Expense Fiscal Year Ending 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	$ 23,773	$ -	$ -
Interest Cost	55,136	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or loss (difference between expected and actual experience)	5,377	6,873	(1,826)
Effect of assumptions changes or inputs	(58,846)	10,191	(278,491)
Member contributions	(7)	-	-
Projected investment earnings	(2,805)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	151,489	(11,978)
Net difference between projected and actual investment earnings	(46)	-	(957)
Administrative expenses	24	-	-
Total	$ 22,606	$ 168,553	$ (293,252)

NOTE 4 – EMPLOYEE RETIREMENT PLAN (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources (Continued)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Year Ending June 30,	FRS Expense	HIS Expense
2026	$ 554,601	$ (27,509)
2027	$ (98,538)	$ (32,935)
2028	$ (147,466)	$ (27,729)
2029	$ (117,030)	$ (22,222)
2030	$ -	$ (14,305)
Thereafter	$ -	$ -
Totals	$ 191,568	$ (124,699)

NOTE 5 – ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION

Additional audited financial information supporting the Schedules of Employer Allocations and the Schedules of Pension Amounts by Employer is located in the Florida Retirement System Pension Plan and Other State-Administered Systems ACFR for the fiscal year ended June 30, 2025. The system's ACFR and the actuarial valuation reports referenced herein are available online at:
http://www.dms.myflorida.com/workforce_operations/retirement/publications

The System's ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Research and Education Section
PO Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

NOTE 6 – BOND PAYABLE

In December 2021, Western Academy Holdings, LLC obtained a bond loan totaling $14,245,004 for the purpose of financing the acquisition, renovation, improvement, furnishing and equipping of the facilities located at 12031 Southern Boulevard in Loxahatchee, Florida. The loan calls for interest only payments of $47,483 commencing on February 1, 2023 and continuing through June 30, 2025, followed by principal and interest payments of $72,723 through the maturity date of December 1, 2051 bearing interest at a rate of 4.00%.
Bond payable at June 30, 2026 totaled $13,936,510.

NOTE 6 – BOND PAYABLE (Continued)
The following schedule provides a summary of changes for the year ended June 30, 2026:

	Balance July 1, 2025	Borrowings	Repayments	Balance at June 30, 2026
Bonds payable	$14,245,004	$ -	$(308,494)	$ 13,936,510

The bond payable was issued at a premium of $1,375,071, which will be amortized over the life of the bond. The following schedule provides a summary of changes for the premium at June 30, 2026:

	Balance July 1, 2025	Borrowings	Amortization	Balance at June 30, 2026
Premium on Bond Payable	$ 1,214,646	$ -	$ 45,836	$ 1,168,810

Annual requirements to amortize all loan debt outstanding as of June 30, 2026 are as follows:

Fiscal Year Ending June 30,	Total	Principal	Interest
2027	$ 872,676	$ 321,061	$ 551,615
2028	872,677	334,142	538,535
2029	872,678	347,755	524,923
2030	872,678	361,923	510,755
2031	872,678	376,669	496,009
2032-2036	4,363,389	2,126,425	2,236,964
2037-2041	4,363,389	2,596,358	1,767,031
2042-2046	4,363,390	3,170,145	1,193,245
2047-2051	4,363,389	3,870,736	492,653
2052	436,342	431,296	5,046
	$ 22,253,286	$ 13,936,510	$ 8,316,776

NOTE 6 – BOND PAYABLE (Continued)

The bond payable agreement requires that the School be in compliance with certain debt covenants, including a 90 day cash on hand requirement beginning with fiscal year end June 30, 2022 and a debt service coverage ratio of at least 1.10:1.00 beginning with fiscal year end June 30, 2023. At June 30, 2026 the School's debt service calculation as required per the bond agreement are as follows:

Debt Service Coverage Ratio	
Change in net position	$ 1,760,808
Add Back:	
Depreciation	506,069
Amortization of premium	(45,836)
Principal	321,061
Interest	551,615
FRS pension adjustment	(75,925)
Adjusted change in net position	$ 3,017,792
Debt Service for 2027:	
Principal	321,061
Interest	551,615
Total debt service costs	872,676
Debt service ratio (adjusted change in net position divided by total debt service costs)	3.46
Cash on Hand	
Cash on hand general fund	$ 5,480,773
Total expenditures total governmental funds year ending June 30, 2026	8,035,035
Less: capital outlay - facilities acquisition and constructions	(34,046)
Total expenditures total governmental funds less capital outlay - facilities acquisition and constructions	$ 8,000,989
Cash requirement (90 days) general fund at June 30, 2026	$ 1,972,847
Excess cash on hand - general fund	$ 3,507,926

NOTE 7 – CERTAIN RISK DISCLOSURES

Funding Dependency

The School receives the majority of its operating revenue from per-pupil funding provided by the Palm Beach County School Board, based on the number of full-time equivalent (FTE) students enrolled. Changes in enrollment levels or modifications to the State of Florida funding formula or allocation procedures could affect the School's ability to provide educational services or meet financial obligations. In addition, federal, state, and local grants substantially fund the School's services. Governmental programs are subject to changes in budget allocations, and adverse changes could significantly impact the School's operations.

Retirement System Participation

The School participates in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit plan administered by the State of Florida. Employer contribution rates are established annually by the Florida Legislature. Future statutory changes to FRS contribution requirements or benefit structures are outside the control of the School and could have a significant effect on the School's required contributions and related costs.

Compliance and Uncertainty

In the normal course of operations, the School receives grant funds from various federal, state, and local agencies. These programs are subject to audit by the granting authorities, the purpose of which is to ensure compliance with grant conditions. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements. No expenditures are being questioned as of June 30, 2026.

Deposits Policy and Credit Risk

It is the School's policy to maintain its cash and cash equivalents in major banks and in high grade investments at one financial institution. As of June 30, 2026, the School's deposits consisted of cash balances of $6,448,348, and the carrying amount of the School's cash deposit accounts totaled $6,360,539. All cash deposits are held in a bank that qualifies as a public depository under Florida law. All such deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Insurance Coverage

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors, omissions, and natural disasters for which it carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past, and there were no reductions in coverage from the prior year. The School does not sponsor a public entity risk pool and has had no settlements that exceeded its insurance coverage.

Litigation

The School is subject to claims and lawsuits in the ordinary course of its business. In the opinion of management, the School has adequate legal defenses and/or adequate indemnification or insurance coverage for such matters. Accordingly, management believes that such matters will not, in the aggregate, have a material adverse impact upon the School's financial position, results of future operations or cash flows.

REQUIRED SUPPLEMENTAL INFORMATION

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund				
	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts Budgetary (and GAAP) Basis	Variance with Final Budget - over (under) Actual Amounts
	Original	Final Budget			
REVENUES					
State passed through local	$ 8,221,427	$ 8,221,427	$ -	$ 8,577,772	$ 356,345
Charges for services and other grants	428,500	428,500	-	525,626	97,126
Other income	160,071	160,071	-	205,926	45,855
TOTAL REVENUES	8,809,998	8,809,998	-	9,309,324	499,326
EXPENDITURES					
Instruction	5,390,828	5,390,828	-	5,232,163	(158,665)
Instructional support services	80,886	80,886	-	80,646	(240)
Instructional staff training services	54,000	54,000		47,335	(6,665)
Board	66,500	66,500	-	44,163	(22,337)
General administrative	41,435	41,435	-	42,209	774
School administration	1,143,553	1,143,553	-	1,125,062	(18,491)
Facilities acquisition & construction	263,757	263,757	-	34,792	(228,965)
Fiscal services	32,000	32,000	-	33,186	1,186
Operation of plant	762,743	762,743	-	675,866	(86,877)
Maintenance of plant	179,598	179,598	-	28,221	(151,377)
Administrative technology services	401,043	401,043	-	303,702	(97,341)
Community services	405,814	405,814	-	353,644	(52,170)
Other capital outlay	-	-	-	34,046	34,046
TOTAL EXPENDITURES	8,822,157	8,822,157	-	8,035,035	(787,122)
Change in fund balance before other financing sources	(12,159)	(12,159)	-	1,274,289	1,286,448
Transfers in/(out)	-	-	-	-	-
Net change in fund balance	$ (12,159)	$ (12,159)	$ -	$ 1,274,289	$ 1,286,448

See accompanying note to the required supplemental information.

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2026, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general revenue fund for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

NOTE B – ACTUAL BUDGET RESULTS

	General Fund over (under)
BUDGETARY REVENUES - GENERAL FUND	
Differences - original budget to final budget	
There were no significant differences between the original and final budget.	N/A
Differences - final budget to actual	
There were no significant differences between the final budget to actual results.	N/A
BUDGETARY EXPENDITURES - GENERAL FUND	
Differences - original budget to final budget	
There were no significant differences between the original and final budget.	N/A
Differences - final budget to actual	
There were no significant differences between the final budget to actual results.	N/A

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
FRS/HIS - SCHEDULE OF PROPORTION SHARE OF NET PENSION LIABILITY
JUNE 30, 2026

Schedule of Proportionate Share of Net Pension Liability - Florida Retirement System – Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School's proportion of the net pension liability	0.005284%	0.005162%	0.005085%	0.005444%	0.004541%	0.003752%	0.003951%	0.003705%	0.003439%	0.003102%
School's proportionate share of the net pension liability	$ 1,639,976	$ 1,997,019	$ 2,026,069	$ 2,025,454	$ 343,036	$ 1,626,081	$ 1,360,643	$ 1,115,900	$ 1,017,238	$ 783,379
School's covered-employee payroll	$ 4,017,952	$ 3,830,200	$ 3,317,810	$ 2,969,678	$ 2,537,592	$ 2,334,315	$ 2,313,958	$ 2,128,592	$ 2,045,604	$ 1,896,585
School's proportionate share of the net pension liability as a % of its covered payroll	40.82%	52.14%	61.07%	68.20%	13.52%	69.66%	58.80%	52.42%	49.73%	41.30%
Plan fiduciary net position as a % of the total pension liability	87.26%	83.70%	82.38%	96.40%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Schedule of Proportionate Share of Net Pension Liability - Health Insurance Subsidy Program – Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School's proportion of the net pension liability	0.008983%	0.009050%	0.008235%	0.008144%	0.007168%	0.006726%	0.006885%	0.006517%	0.006418%	0.006144%
School's proportionate share of the net pension liability	$ 1,151,386	$ 1,357,637	$ 1,307,792	$ 862,583	$ 879,248	$ 821,204	$ 770,365	$ 689,778	$ 686,204	$ 716,019
School's covered-employee payroll	$ 4,017,952	$ 3,830,200	$ 3,317,810	$ 2,969,678	$ 2,537,592	$ 2,334,315	$ 2,313,958	$ 2,128,592	$ 2,045,604	$ 1,896,585
School's proportionate share of the net pension liability as a % of its covered payroll	28.66%	35.45%	39.42%	29.05%	34.65%	35.18%	33.29%	32.41%	33.55%	37.75%
Plan fiduciary net position as a % of the total pension liability	6.36%	4.80%	4.12%	3.56%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is complied, governments should present information for only those years for which information is available.

Note 2: The amounts shown above are for illustration purposes only. Each employer will determine the appropriate amounts to present based upon amounts published in the pension allocation schedules.

Note 3: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Comprehensive Annual Financial Report on the website indicated in Note 5.

Note 4: Refer to GASB 81a - the information in this schedule should be determined as of the measurement date of the collective net pension liability.

WESTERN ACADEMY CHARTER SCHOOL, INC. AND SUBSIDIARY
FRS/HIS - SCHEDULE OF CONTRIBUTIONS
JUNE 30, 2026

Schedule of Contributions Florida Retirement System – Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 315,507	$ 292,322	$ 244,604	$ 232,288	$ 173,000	$ 124,652	$ 122,507	$ 105,583	$ 89,526	$ 75,659
Contributions in relation to the contractually required contribution	$ (315,507)	$ (292,322)	$ (244,604)	$ (232,288)	$ (173,000)	$ (124,652)	$ (122,507)	$ (105,583)	$ (89,526)	$ (75,659)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Schools' covered-employee payroll	$ 4,017,952	$ 3,830,200	$ 3,317,810	$ 2,969,678	$ 2,537,592	$ 2,334,315	$ 2,313,958	$ 2,128,592	$ 2,045,604	$ 1,896,585
Contributions as a % of covered-employee payroll	7.85%	7.63%	7.37%	7.82%	6.82%	5.34%	5.29%	4.96%	4.38%	3.99%

Schedule of Contributions Health Insurance Subsidy Program – Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 80,286	$ 76,623	$ 54,170	$ 49,278	$ 42,133	$ 38,757	$ 38,232	$ 35,342	$ 33,964	$ 31,490
Contributions in relation to the contractually required contribution	$ (80,286)	$ (76,623)	$ (54,170)	$ (49,278)	$ (42,133)	$ (38,757)	$ (38,232)	$ (35,342)	$ (33,964)	$ (31,490)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Schools' covered-employee payroll	$ 4,017,952	$ 3,830,200	$ 3,317,810	$ 2,969,678	$ 2,537,592	$ 2,334,315	$ 2,313,958	$ 2,128,592	$ 2,045,604	$ 1,896,585
Contributions as a % of covered-employee payroll	2.00%	2.00%	1.63%	1.66%	1.66%	1.66%	1.65%	1.66%	1.66%	1.66%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is complied, governments should present information for only those years for which information is available.

Note 2: The amounts shown above are for illustration purposes only. Each employer will determine the appropriate amounts to present upon their accounting data.

Note 3: Refer to GASB 68, paragraph 81b - the information in this schedule should be determined as of the employer's most recent fiscal year.

GARCIA SANTA MARIA
DE ARMAS TRUJILLO
CPAs + ADVISORS

PAUL A. GARCIA, CPA/CFF,CVA
ERIC E. SANTA MARÍA, CPA/ABV/CFF, CAA
PEDRO M. DE ARMAS, CPA
ALEX M. TRUJILLO, CPA

PRINCIPAL
ILIANA M. LARCADA, CFE
MONIQUE BUSTAMANTE, CPA
ALEXANDER P. MONTERO, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

NATIONAL ASSOCIATION OF
CERTIFIED VALUATION ANALYSTS

COLLABORATIVE FAMILY
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors of
Western Academy Charter School, Inc. and Subsidiary
Loxahatchee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund and the aggregate remaining fund information of Western Academy Charter School, Inc. ("WACS", the "School") and Subsidiary, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

GARCIA SANTA MARIA
DE ARMAS TRUJILLO
CPAs + ADVISORS

PAUL A. GARCIA, CPA/CFF,CVA
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MANAGEMENT LETTER

Board of Directors of
Western Academy Charter School, Inc. and Subsidiary
Loxahatchee, Florida

Report on the Financial Statements

We have audited the financial statements of Western Academy Charter School, Inc. and Subsidiary (the "School") as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated September 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding audit report

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the School code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code of the entity is Western Academy Charter School, Inc. #502911.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has led us to believe that the School's overall financial condition as of June 30, 2026 is not deteriorating.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management and Western Academy Charter School, Inc. is not intended to be and should not be used by anyone other than these specified parties.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026